



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0037	Title:	Weed control on state land
Primary Sponsor:	Reinhart, M.	Status:	As Introduced

- | | | |
|---|--|--|
| <input type="checkbox"/> Significant Local Gov Impact | <input checked="" type="checkbox"/> Include in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
State Special Revenue	\$5,000	\$5,000	\$5,000	\$5,000
Revenue:				
State Special Revenue	\$7,375	\$7,375	\$7,375	\$7,375
Other (Trust Fund)	\$125	\$125	\$125	\$125
Net Impact-General Fund Balance	\$2,375	\$2,375	\$2,375	\$2,375

Description of fiscal impact:

Expenditures for weed control activities would be paid from the Resource Development State Special Revenue Account. Repayment of those costs by lessees would reimburse the account. Penalties would be deposited in the appropriate trust account.

FISCAL ANALYSIS

Assumptions:

Department of Natural Resources and Conservation (DNRC)

1. It is estimated that the Trust Land Management Division of the DNRC will conduct five weed enforcement actions each year of the biennium at an average cost of \$1,000 per action. This would equate to a cost of \$5,000 per year.
2. DNRC would pay administrative costs for weed spraying contracted services from the state special revenue account for Resource Development.

3. DNRC would invoice the lessees for the costs of the weed spraying plus an additional 50% of the cost as a penalty. The recovered costs of the weed spraying contracts would be deposited in the Resource Development Account. The recovered penalty costs (approximately \$2,500 per year) would be considered 100% distributable income to the appropriate trust beneficiary, except in the case of the Common Schools, which would receive 95% of the income as distributable and 5% invested in the Permanent Fund.
4. It is not known which beneficiary would own the land with the weed eradication issues. Therefore, for the purposes of this fiscal note, it is assumed that the land is common schools, which is 89% of all school trust land. Of the common school revenues, 95% would be considered distributable and deposited in the Guarantee Account and 5% would be deposited in the common school permanent fund. For each fiscal year, the amount to be deposited in the Guarantee Account would be \$2,375 and \$125 in the permanent fund.
5. The guarantee fund is the first funding for school Base aid. Increases in revenue for Base aid do not increase the state obligation for school district Base aid and result in reductions in the amount of general fund required to fund school districts.

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
<u>Fiscal Impact:</u>				
<u>Expenditures:</u>				
Operating Expenses	\$5,000	\$5,000	\$5,000	\$5,000
<u>Funding of Expenditures:</u>				
General Fund (01)	(\$2,375)	(\$2,375)	(\$2,375)	(\$2,375)
Resource Development Acct. (02)	\$5,000	\$5,000	\$5,000	\$5,000
Guarantee Account (CS 95%) (02)	\$2,375	\$2,375	\$2,375	\$2,375
TOTAL Expenditures	\$5,000	\$5,000	\$5,000	\$5,000
<u>Revenues:</u>				
Resource Development Acct. (02)	\$5,000	\$5,000	\$5,000	\$5,000
Guarantee Account (CS 95%) (02)	\$2,375	\$2,375	\$2,375	\$2,375
Other - CS 5% permanent fund (09)	\$125	\$125	\$125	\$125
TOTAL Revenues	\$7,500	\$7,500	\$7,500	\$7,500
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>				
General Fund (01)	\$2,375	\$2,375	\$2,375	\$2,375
Other - CS 5% permanent fund (09)	\$125	\$125	\$125	\$125

Sponsor's Initials_____
Date_____
Budget Director's Initials_____
Date